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SUBJECT: IAEA/IRAN: BOARD URGES TEHRAN TO COOPERATE

Summary and Comment

¶1. (SBU) A joint six-country (P5 1) statement on Iran, the first of its kind at an IAEA Board of Governors meeting, had a salutary effect on the tenor of the March 3 Board deliberations on Iran. This statement of unity took Board members and Iran by surprise and the majority of the Board welcomed the renewed diplomatic engagement, with four Members explicitly noting it in their national statements. The Six also captured international press headlines. A national statement by China, the only one from among the Six, tracked with the joint statement and did not distract from the focus on P5 1 unity. Ambassador Schulte's opening statement to the Board under an earlier agenda item the previous day touched on Iran and expressed a renewed U.S. commitment to diplomatic engagement and support for the IAEA and multilateralism. Based on comments from other missions, the statement had a positive and palpable impact on Board members and set the stage for the Iran discussion. Overall, the tone of the Board statements on Iran was stronger than in previous Boards, with more Member States calling on Iran to cooperate and more states noting serious concern about Iran's lack of cooperation on key technical issues like the possible military dimensions (PMD) of Iran's program and refusal to implement Code 3.1 Modified of its Safeguards Agreement.

¶2. (SBU) The Director General's (DG) opening remarks to the Board on March 2 highlighted Iran's lack of progress and failure to meet UNSC and Board requirements and called on Iran to "unblock" the situation. ElBaradei was encouraged by the "apparent fresh approach" to dialogue (on the part of the U.S.), which could give new impetus to resolve this longstanding issue. Thirty of the thirty-five Board Members spoke or were spoken for by the EU or NAM, and five non-Board members spoke under Rule 50. The majority of statements noted Iran's failure to comply with UNSC and Board requirements, Iran's failure to cooperate or implement additional transparency measures, such as the Additional Protocol (AP), and Iran's blockage of the IAEA's investigation into the PMD. In addition to the EU and other like-minded States, Argentina, Switzerland, and South Africa delivered strong statements critical of Iran.

¶3. (SBU) Not everyone was affected by the constructive tone of the overture from the Six. The NAM statement again largely reiterated the Tehran Ministerial declaration and the NAM troika continued to play by the old playbook, with Egypt and Cuba taking a decidedly unconstructive stance. Other NAM members (Philippines and Iraq) delivered stronger statements calling for Iranian cooperation. Statements from South Africa, Argentina, and Switzerland stood out as unusually constructive.

¶4. (SBU) The focus of Iran's statement seems to have shifted somewhat. Rather than largely targeting the U.S. (and the West generally), Iran more strongly criticized the IAEA Secretariat. Iran argued that the IAEA is not acting in accordance with its Statute, predominantly because it should

be focused on expanding peaceful uses of nuclear energy at least as strongly as it verifies nonproliferation.

15. (SBU) As requested by France, the Legal Office presented its view regarding Iran's continued refusal to implement Code 3.1 Modified and Iran's denial of IAEA access to the Heavy Water IR-40 Reactor. The Legal Advisor declared that these refusals are "inconsistent with Iran's obligations under the Subsidiary Arrangements to its Safeguards Agreement," while also making obvious efforts to downplay the immediate "noncompliance" implications. Ambassador Schulte reiterated from a previous Board statement that "this is an apparent breach of Safeguards and Iran's claim that it will not adhere to early declaration/Code 3.1 Modified shows a willingness to commit future breaches." The conventional call for public release of the Iran report by consensus was successful, but spurred a request (from opponents holding their fire on the specific case) for an agenda item at the June Board on the issue of "de-restricting" documents prepared confidentially for the Board.

16. (SBU) Comment: Although Egypt's statements have become more obstructionist, statements by formerly middle-ground countries like Switzerland and South Africa were very strong and helped to contribute to the overall pressure on Iran in the Board room. The stronger overall tone may be due in part to the DG's report being at least the third in a row that shows no Iranian cooperation. Member States may also feel less conflicted about pressuring Iran so long as it supports the strengthened diplomatic efforts they see reflected in U.S. and P5 1 statements. Some states may now be less concerned that efforts to increase pressure in the IAEA may

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provoke precipitous military or other strong action they are not ready to support. Several Member States in their statements welcomed new positive "signals," and the Philippines directly welcomed the U.S. statement on engagement under agenda item two (septel). The DG's straightforward approach in his opening statement and Iranian Ambassador Soltanieh's aggressive line in the Board and the previous week's technical briefing, may also have contributed to the overall change in tone. End Comment.

DG Sets the Stage for the Iran Discussion

17. (SBU) The Director General (DG) in his opening statement to the Board on March 2, set the tone for the discussion on Iran by highlighting Iran's lack of cooperation and failure to meet UNSC and Board requirements. He encouraged the "apparent fresh approach" to dialogue on the part of the United States for giving new impetus to resolve this longstanding issue. He noted that contrary to the requests of the Board and the UNSC, Iran has not suspended its uranium enrichment- and heavy water-related activities, nor has it implemented the Additional Protocol (AP) or the modified text of Code 3.1 of its Subsidiary Arrangements on the early provision of design information. The DG also said that it was regrettable that no progress had been made with concerns about possible military dimensions (PMD) because of the lack of Iranian cooperation. He explained that unless Iran implements transparency measures and the AP, the IAEA will not be in a position to provide credible assurances about the absence of undeclared nuclear material or activities in Iran. He called on Iran to provide substantive information and access to documentation, locations, and individuals in connection with all of the outstanding issues, and urged the Member States which have provided information to the IAEA to agree to the IAEA's sharing of the information with Iran.

The Group of Six and China, Again

¶8. (SBU) France delivered a statement (text below) on behalf of China, France, Germany, Russia, the U.K., and the U.S., marking the first time that a jointly-agreed statement by this sextet was delivered in the Board on Iran. No one, including like-minded Board members, expected such a statement of unity, which took all, including Iran, by surprise. The focus on diplomatic engagement was universally welcomed and most of the Board also echoed the sextet's call on Iran to comply with UNSC and Board resolutions and cooperate with the Agency on issues related to possible military dimensions.

¶9. (U) Begin text of statement:

We thank the Director General for his report on the "Implementation on NPT Safeguards and relevant provisions of UN Security Council Resolution s 1737, 1747, 1803, and 1835 in the Islamic Republic of Iran."

We reaffirm our unity of purpose and strong support for the Agency. We applaud the Secretariat for the professionalism and impartiality with which it has pursued its verification mission and reaffirm that the IAEA plays an essential role in establishing confidence in the exclusively peaceful nature of Iran's nuclear program.

We call upon Iran to meet without delay the requirements of the IAEA Board of Governors and to implement the resolutions of the UN Security Council.

We note the serious concern expressed in the Director General's report and in his introductory statement to this Board about the continued lack of progress in connection with remaining issues which give rise to concerns about possible military dimensions of Iran's nuclear program. In this regard, we call on Iran to cooperate fully with the IAEA by providing the Agency such access and information that it requests to resolve these issues.

We further call upon Iran to implement and ratify promptly the Additional Protocol and to implement all measures required by the Agency in order to build confidence in the exclusively peaceful nature of Iran's nuclear program.

We remain firmly committed to a comprehensive diplomatic solution, including through direct dialogue, and urge Iran to take this opportunity for engagement with us and thereby maximize opportunities for a negotiated way forward.

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End text.

¶10. (SBU) Despite the efforts and suggestions by the remaining five to refrain from national statements and let the joint statement speak for itself, China, under instructions from Beijing, delivered a separate statement, which was stronger than past statements. Associating itself with the joint statement from the six, China noted with concern that Iran still had not implemented the relevant UNSC resolutions and not cooperated with the IAEA in solving the remaining issues. China advocated a negotiated solution to the Iranian nuclear issue while recognizing Iran's right to peaceful uses of nuclear energy as long as it fulfilled its international obligations. China encouraged Iran to implement Board and UNSC resolutions, strengthen cooperation with the IAEA, and implement the AP.

EU and Like-Minded Deliver
Very Strong Statements

¶11. (SBU) As EU President, the Czech Republic presented a very strong EU statement that noted the situation with Iran

had worsened since the November 2008 Board and encouraged Iran to seize the current window of opportunity of the announced U.S. engagement with Iran. The EU explained that it was "deeply disappointed" with Iran's continued refusal to cooperate with the IAEA and failure to comply with UNSC requirements. The statement noted with "great concern" and "alarm" that Iran has not permitted the IAEA to perform a DIV at the IR-40 reactor at Arak and continues to unilaterally suspend Code 3.1, which is not consistent with Iran's obligations under its safeguards agreement. The EU "deeply regretted" Iran's lack of cooperation on PMD and urged Tehran to implement the AP and provide all requested information and access to documentation, locations, and individuals, so that the IAEA can clarify the character of its nuclear program. The statement also underlined its "grave concerns" that Iran is the only country in the world to build and possibly operate a nuclear power plant without being party to the relevant and important nuclear safety and security conventions.

¶12. (SBU) Australia, Canada, Japan, and New Zealand all delivered strong statements that noted it was essential for Iran to promptly and substantively respond to the IAEA's questions regarding PMD projects and meet all Board and UNSC obligations, including suspension, implementing the AP, and Code 3.1. Australia emphasized the DG's February report was the fourth that indicated a lack of substantive progress and that the Board should "not lose sight of the fact that these possible military dimensions remain matters of serious concern." Australia also encouraged Iran to take full advantage of the "new opportunities for engagement." Canada noted with "great concern" and "alarm" that Iran's actions move in the opposite direction of the UNSC and Board resolutions, as it continues to conduct enrichment-related activities, including on the new generation IR-4 centrifuge. Canada explained Iran's cooperation is long overdue. Japan also stated that it was "deeply regrettable" that Iran continues to expand enrichment-related activities, especially mentioning the work on new generation centrifuges, and urged Iran to return to the negotiation process based on the comprehensive package proposed by the P5 1 without further delay. New Zealand noted its concerns about the true nature of Iran's nuclear program and said it was essential for Iran to suspend all enrichment and reprocessing activities in order to allay the serious concerns of the international community.

¶13. (SBU) Albania, fully associating itself with the EU statement, delivered a strong statement highlighting that no real progress on outstanding issues had been made and that the Board, the IAEA, and Iran were locked in a "vicious circle" because of Tehran's refusal to cooperate. Albania indicated that it was up to Iran to convince the world of the "peaceful nature" of its nuclear program. The Swiss statement, which was more constructive than in the past, noted how similar the DG's February report was to the previous two reports that Iran had not cooperated with the IAEA on PMD and that it, Switzerland, feared this trend would continue. Switzerland explained that the DG's report brings forth new concerns, such as Iran's amount of low enriched uranium (LEU) equaling one "significant quantity" if it were further enriched to highly enriched uranium (HEU); the continued refusal to allow a DIV at the IR-40 reactor; Iran's production of fuel rods for the IR-40 reactor; and the continued enrichment-related activities, including the work on the new generation centrifuge. The Swiss said they were encouraged by the "new approach" on dialogue, and called on Iran to cooperate on the "alleged studies" as well as Member

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States to issue the documentation, as best as it is advisable.

Turkey Trying to Balance

¶14. (SBU) Turkey's statement again was balanced, though slightly better than at the last Board, but it did not specifically make calls on Iran to act. Rather, it made general statements on what should be done. Turkey began by attaching importance to the effectiveness of the IAEA's safeguards system and noted with satisfaction that the IAEA has been able to continue to verify the non-diversion of declared nuclear material in Iran, but also noted that the IAEA was not yet in a position to provide assurances about the absence of undeclared nuclear material and activities in Iran. Turkey considered it important that the outstanding issues related to Iran's nuclear program be addressed in a constructive and transparent way without further delay and that the alleviation of the ongoing crisis of confidence with regard to the scope and nature of Iran's program be resolved through peaceful means. Turkey noted that it hoped once the confidence in the exclusively peaceful nature of Iran's nuclear program is restored, the IAEA will be able to devote more time, energy, and resources to its other statutory functions.

GRULAC, Except Venezuela, Calls
for Cooperation

¶15. (SBU) Among the GRULAC Board members, Argentina's statement was so strong that it compared favorably to those of the like-minded. Argentina regretted the lack of substantive progress since November and hit all the major issues: violation of UNSC and Board requirements for suspension; emphasis on the failure to implement Code 3.1 Modified and allow DIV inspections at Arak; the need for Iran to provide substantive information and transparency on issues related to PMD; and an appeal for Iran to undertake all measures to build confidence in the peaceful nature of its nuclear program, echoing the sextet statement. Argentina did, however, call for member states to allow the provision of documents to Iran.

¶16. (SBU) Mexico made a similarly strong intervention calling on Iran to cooperate effectively and without delay and underlined the obligatory nature of UNSC resolutions. Mexico focused on Iran's refusal to provide access to Arak, failure to respond to the IAEA's repeated requests on PMD issues, and the need for additional transparency. In a terse statement, Brazil noted that the current DG's report was no different from the last and hoped that the DG could soon report progress to allow the Board no doubts as to the peaceful nature of Iran's nuclear program. Brazil urged the Secretariat to find a way to break the deadlock but made no call for Iran's cooperation or implementation of UNSC resolutions, and ended with a call for direct engagement. NAM member Ecuador's statement was weaker than its past interventions and did not include a call for Iran to cooperate or implement UNSC resolutions. Ecuador regretted the deadlock on Iran that could undermine the credibility of safeguards but noted information sharing by Member States as an important step to unblock the issue.

¶17. (SBU) Chile and Venezuela both spoke under Rule 50. In a forward looking statement delivered by the former Board Chair, Chile hoped for constructive engagement by all parties and stressed the unimpeachable legitimacy of UNSC and Board resolutions. Chile also noted that the report made "crystal clear" the need for cooperation and transparency. While Chile acknowledged the NAM statement, "this was not the whole story." Chile cited the concerns in the DG reports, including the need for the AP, and called for Iran to alleviate doubts as to its nuclear program. Venezuela, predictably unhelpful, focused on Iran's "fulfillment" of its legal obligations under its safeguards agreement and the completion of the work plan. Venezuela singled out a small group of countries for failure to provide documents to Iran, and noted six years of unproven allegations.

¶18. (SBU) Speaking first under the Iran agenda item, Cuba delivered a characteristically one-sided NAM statement beginning with a verbatim recitation of the July 2008 NAM Tehran Ministerial statement on Iran's nuclear program. The

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NAM statement went on to highlight the usual "positive" aspects of the DG's report on Iran related to the non-diversion of declared nuclear material, noted that the PIV results were consistent with Iran's declarations, and expressed satisfaction at 21 unannounced inspections at Natanz since last year. There was no call for Iranian cooperation, but the NAM still supported the DG's request for Member States to provide "alleged studies" documents to Iran as not doing so was an "obstacle" to verification. Finally, taking into account the "completion of" the work plan, the NAM statement looked forward to implementation of safeguards in Iran in a routine manner. The statement concluded with a usual call for diplomacy and dialogue.

¶19. (SBU) Among the NAM, Egypt and Cuba took the most unconstructive stances, continuing to play by the old playbook. Egypt cited the resolution of most outstanding issues and cooperation by Iran within the scope of its legal safeguards obligations while noting the "pitfalls and limits" of asking for additional transparency. Egypt entirely discounted the "alleged studies" as lacking in neutrality and unverified information. The Egyptian statement also linked denuclearization in the Middle East with "parallel" efforts by Iran. Cuba's national statement was typically negative and could have been written by Iran. Cuba began by questioning why the issue continued to be on the Board's agenda after the completion of the work plan, declared safeguards should be routinized, and criticized UNSC involvement as illegal. In addition to assailing the "alleged studies" and the failure to provide documents to Iran, Cuba suggested that the Board "legislate" on this issue, i.e. pass a resolution requiring states (the U.S.) to allow the IAEA to share all information with Iran. Cuba did, however, welcome any endeavor toward dialogue, on the basis of equality. In contrast to Egypt and Cuba, Malaysia, also part of the NAM troika, was forward looking. Malaysia encouraged cooperation by all parties, diplomacy and dialogue, and welcomed the fresh initiatives of the Obama administration while also calling for a Middle East NWFZ.

¶20. (SBU) South Africa, though associating itself with the NAM statement, was even stronger than the last Board and was the toughest of the NAM members that delivered national statements. At the beginning of the statement, South Africa noted Iran's provision of access to declared facilities, and urged Iran to "continue" cooperation, but then listed a number of concerns highlighted by the DG's report. South Africa noted that the Secretariat was unable to conclude the nature of Iran's program and whether there were undeclared activities underway, that Iran had failed to abide by Code 3.1 and the AP, that questions about PMD were still unanswered, and encouraged Iran to provide information and access to help clarify those issues. South Africa also called on Iran to take the "mandatory" steps required under UNSC resolutions and called for Member States to provide copies of documents to Iran.

¶21. (SBU) Most of the other NAM statements were a mixed bag. The Philippines noted non-diversion, welcomed Iranian cooperation and unhelpfully linked the lack of substantive progress on PMD with the failure to provide Iran with documentation, as did Ghana. However, the Philippines called on Iran to implement the AP and Board and UNSC resolutions and welcomed the fresh approach by the U.S. and direct diplomacy. Ghana also called on Iran to implement the AP and for "all parties" to cooperate. In a short statement, India

called on "all concerned" and "trusted" that Iran would cooperate. India made its usual reference to the "supply side" of nonproliferation in its usual jab at Pakistan.

Arab Group

¶22. (SBU) In addition to Egypt, Iraq also spoke, while Board Members Algeria and Saudi Arabia were silent. (Libya and Syria addressed the Board under Rule 50.) All associated with the NAM and predictably called for a NWFZ in the Middle East. Iraq began its statement by applauding Iran's scientific achievement at Bushehr as a model for the region and reiterated a balanced approach to the issue. Iraq called for Iran's adherence to the AP, encouraged suspension until confidence is restored, and urged that Iran address the recommendations and concerns in the DG's report. In addition to calling for Iran to provide substantive information on PMD issues, Iraq also called for provision of documents.

¶23. (SBU) Syria indicated that there was no evidence to date that Iran had violated its Comprehensive Safeguards Agreement and that it was regrettable that certain countries have double standards when it comes to identifying and supporting international obligations. Libya called on Iran to

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increase cooperation so that the IAEA can understand the nature of its program, but also called on the international community to deal with all issues on equal footing (i.e., Israel).

Iran Aims Criticism at the IAEA

¶24. (SBU) As usual, Iranian Ambassador Soltanieh delivered an impassioned statement, but he departed somewhat from past practice by focusing more criticism on the IAEA, rather than the West and U.S. in particular. He argued that the Agency is not acting in accordance with its Statute, predominantly because it should be focused on expanding peaceful uses of nuclear energy as least as strongly as on nonproliferation. Taking a different spin on his familiar argument that the Board has become politicized, Soltanieh attempted to sow discord by characterizing the Board as a battlefield between "haves" and "have nots," rights and obligations, nuclear suppliers and nuclear recipients, and aggressors and victims, and could be summed up as a battle between "justice and injustice." He noted that a few Member States are trying to keep Iran on the agenda despite the completion of the work plan and complained that the latest DG's report did not reflect Iran's views on some of the issues or add in information that Iran deemed critical, such as the fact that the IAEA has found no evidence of nuclear material being associated with the "alleged studies," citing these as examples of how the Agency's credibility is compromised. He also gave a new argument on Iran's failure to abide by Code 3.1 Modified, stating that Iran had implemented the modified form only voluntarily starting in 2003, and thus when the Majles prohibited voluntary cooperation with the IAEA, Iran was forced to return to the original version from its Safeguards Agreement. Soltanieh called for the DG to immediately abide by the last paragraph of the work plan and return Iran's file to "routine" status. Only then would Iran return to its voluntary cooperation with the Agency to resolve ambiguities, "if any." Iran also passed out a copy of its March 2 letter to the DG (emailed to IO/T and ISN/RA) which argued many of these points in detail.

¶25. (SBU) In the second section of Soltanieh's remarks, which he notes as separate from his prepared statement and usually lambastes the U.S., EU, and like-minded for their remarks, Soltanieh focused only on France's legal questions posed to the Secretariat about how it defined violations of

Code 3.1 and Iran's DIV obligations. In a significant departure from previous Boards, Soltanieh made no directed statements against the U.S. (Comment: It is unclear if the absence of vitriol against the U.S. was meant to be a signal or a response to the first U.S. statement at the meeting (septel) and/or the joint P5 1 statement on Iran which noted opportunities for engagement. The fact that the U.S. did not give a national statement may also have denied Soltanieh an opening he might otherwise have taken. Nevertheless, the departure from past statements was notable and seems to mirror at least one recent IRNA article which reported positively on the P5 1 statement. End Comment.)

Legal Opinion on DIV and 3.1

¶26. (SBU) At a technical briefing the week before the Board, Director of the Office of Legal Affairs (OLA) Johan Rautenbach refused to respond to France's query on the legal implications of Iran's non-implementation of Code 3.1 Modified, the refusal to allow the IAEA to perform a DIV at the IR-40 reactor, and the refusal to provide design information for the nuclear power plant to be built at Darkhovin. In the Board meeting, the French Ambassador requested the Secretariat provide the Board with a formal response. As agreed in follow-up discussions with the U.S. and France, Rautenbach responded, in a prepared text, that Iran's non-implementation of Code 3.1 Modified-which covers the updated design information for the IR-40 reactor and the submission of design information for the Darkhovin power plant-is "inconsistent with Iran's obligations under the Subsidiary Arrangements to its Safeguards Agreement." Rautenbach, however, sought to downplay the "noncompliance" implications of his opinion by noting that "it is difficult to conclude that providing information in accordance with the earlier formulation in itself constitutes non-compliance with, or a breach of, the Safeguards Agreement," based on a comparison between States with Small Quantity Protocols (SQP).

¶27. (SBU) Ambassador Schulte asked for clarification, in which Rautenbach confirmed that Iran is the only state with a comprehensive safeguards agreement that is not/not

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implementing Code 3.1 Modified. Ambassador Schulte also reiterated from a previous Board statement that "this is an apparent breach of Safeguards and Iran's claim that it will not adhere to early declaration/Code 3.1 Modified shows a willingness to commit future breaches." (Comment: It is widely assumed among missions and Secretariat officials that Rautenbach's comments soft-pedaling the "noncompliance" implications were directed by ElBaradei.)

¶28. (SBU) Regarding Iran's refusal to provide the IAEA access to the IR-40 reactor, Rautenbach replied that the refusal "is inconsistent with its obligations under its Safeguards Agreement," and the IAEA has a continuous right to verify the design information which has already been provided to it by Iran regarding the IR-40 reactor. He said that the normal frequency of the DIV depends on safeguards requirements, but in the case of Iran, both the Board and the UNSC have requested suspension of heavy water-related activities, therefore, the IAEA needs continued access. Rautenbach also noted that it was up to the Board to consider and determine if any action by a State that is inconsistent with its Safeguards Agreement rises to a level where the IAEA cannot verify that there is no diversion, in which case the Board has the option to take the actions set out in Article XII.C. (Comment: Mission rep overheard a subsequent conversation on the margins of the Board room in which Soltanieh complained about the IAEA legal analysis. OLA officials attempted to persuade him that Iran should at least allow access to the IR-40 for design verification given that that obligation flows from the fact that Iran has already

declared the facility and provided design information.)

Chair's Summary

¶29. (SBU) In her summary, the Chair (Algerian Ambassador Feroukhi) noted that several Member States expressed serious concern that the Agency has yet to confirm the exclusively peaceful nature of Iran's nuclear program, that there remain a number of outstanding issues, and with Iran's failure to comply with UNSC and Board obligations. In addition, several Member States noted their concern about the absence of Iranian cooperation and progress on PMD and the need for Iran to implement the AP. The summary stated that several members expressed regret that Iran has not provided substantive responses to the outstanding issues, and urged Iran to provide more information and access to the relevant information, documentation, locations, and individuals in order to enable the IAEA to clarify the nature of Iran's nuclear program.

¶30. (SBU) The Chairwoman took note that several Member States expressed concern that no progress has been made on the IAEA's request to Iran to reconsider its decision to unilaterally suspend Code 3.1 Modified and deplored Iran's objection to the DIV at the IR-40 reactor, which they stressed was not consistent with Iran's safeguards obligations.

¶31. (SBU) The summary also reflected that several Member States noted that the IAEA has reported the non-diversion of declared nuclear material in Iran, although the absence of undeclared material and activities in Iran was an ongoing and time-consuming process. The Chairwoman also recalled that several members requested that Member States which provided the IAEA with documentation related to the "alleged studies" should authorize the IAEA to share them with Iran, as it was a matter that could impede the verification process. The summary stated that several members expressed the view, taking into account the implementation of the August 2007 work plan, that safeguards implementation in Iran be conducted in a routine manner. Also, the issue of leakage of confidential safeguards information provided to the IAEA was raised as a matter of serious concern.

¶32. (SBU) Comment: In a notable departure from previous Chair's summaries, Feroukhi entertained Iran's request to have its comments reflected in the summary. The Secretariat claimed that there was precedent for observers' views to be reflected in the summary, but others disputed that this was the case. The two citations of Iran's views in the Chair's summary were a reference to the report not adequately reflecting Iran's cooperation and an egregious and gratuitous citation of Iran's argument that the UNSC was illegally seized of the Iran issue. This effort by Iran to interject its views may only be the beginning; Syria's comments were subsequently reflected in the Chair's summary on the Syrian agenda item. There is concern that the NAM troika's ultimate objective in opposing public release of DG reports is to strike a deal in which the target state would have its views

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reflected in the Director General's report as is the practice in other UN agencies (where the views of the country concerned appear in a separate addendum). This would seriously detract from the Director General's report. Furthermore, Iran regularly circulates Information Circular documents reflecting its views so there is no need to do so in the report. End Comment.

Public Release of the Report Up for Discussion

¶33. (SBU) After reading her summary and prompted by Ambassador Schulte, Chairwoman Feroukhi stated that since no objection had been expressed to the proposal (from Canada and others) for the public release of the Iran report, it would be released. Brazil stepped up and noted that while it did not object to the release of this report, the Board should consider this matter further sometime in the future, since the DG's reports are written in confidence. Malaysia, Cuba, Egypt, and Saudi Arabia all joined support for Brazil's comments. Cuba requested a discussion on the public release of reports at the next Board meeting, Egypt rejected the "politicization" of the DG's reports, and Saudi Arabia noted that public release undermined the confidential nature of the IAEA's work. On the contrary, Iran asked that all/all records of Board deliberations (such as a "recording") be released, since there had been so many misunderstandings about its responsibilities and cooperation with the IAEA.

¶34. (SBU) Canada responded and reiterated its request for the reports to be made public, as it was a matter of principle and transparency. Feroukhi concluded by repeating that there had been no "official objection," so the report would be released and referred the Board to past discussions (1996) about the release of such reports.

Comment

¶35. (SBU) The joint P5 1 statement had the desired effect on Board dynamics on the Iran issue. Our decision to keep the focus on the P5 1 and issue no national statements will mean increased attention/scrutiny to the next U.S. national statement, presumably at the June Board meeting, when there will be much higher expectation that the U.S. policy review will be complete and that the U.S. statement will reflect its conclusions. Mission notes that June will be ill-timed, from the perspective of some like-minded states, for a Board review of policy releasing DG reports on Iran (and Syria). The June Board each year discusses the IAEA's annual Safeguards Implementation Report (SIR), and the U.S. each year argues for its public release. Some of our friends, Germany and Japan, for example, argue against release of the SIR document. Septel will offer our recommendations for negotiating this June debate.
SCHULTE